

Capital Program Budget Financial Summary

The FY 2018/19 Capital budget includes funding for \$13,194,030 in capital improvements through the City as outlined below:

| | | |
|-------------------------------|-----------|-------------------|
| WRF* | \$ | 9,378,776 |
| Street Improvements | | 1,295,715 |
| General Government** | | 1,185,196 |
| Harbor Projects | | 595,576 |
| Transit | | 327,255 |
| Water Projects | | 205,756 |
| Sewer Projects | | 205,756 |
| Total Capital Projects | \$ | 13,194,030 |

*Water Reclamation Facility

**Capital Projects that are not funded through an enterprise fund or Measure Q funding.

Significant FY 2018/19 Projects

- Water Reclamation Facility
- Fire Engine Replacement
- Pavement Management Plan
- City Park Play Equipment
- ADA Transition Plan Improvement Sidewalks/Crosswalks
- Audio Visual and Facility upgrades for Council Chambers
- Replacement Vehicle—Trolley
- Beach Street Slips—South

2018 Council Goals

1. Achieve Economic and Fiscal Sustainability
2. Complete WRF Project and OneWater Program
3. Improve Infrastructure and Public Spaces
4. Review and Update Significant City Land Use Plans
5. Improve Communication to the Community

GLOSSARY

Balanced Budget: A budget with operating revenues equal to operating expenditures. Generally, it refers to a budget with no deficit, but possibly with surplus.

Capital Projects Funds: Funds that account for financial resources to be used for the acquisition or construction of capital facilities.

Enterprise Fund: Fund-type established to account for the financing of self-supporting activities of governmental units, which render services on a user charge basis to the general public. Enterprise funds are **Water, Sewer, Harbor and Transit Funds**.

Fund: A set of inter-related accounts to record revenues and expenditures associated with a specific purpose.

General Fund: Primary fund used by the City for which revenues and expenditures are not legally restricted for use.

Government Funds: Funds used to account for all assets and liabilities of a government agency, except those particularly assigned for other purposes in another more specialized fund. There are five different types of governmental funds: the **general fund** (primary operating fund), **special revenue funds**, **debt service funds**, **capital project funds**, and **permanent funds**.

Special Revenue Funds: Revenues received that have specific purposes for which they are earmarked

Internal Service Funds: A fund that collects money from departments/funds to pay for the established purpose of the fund (i.e. Risk Management Fund).

Transfers: Authorized exchanges of money, positions, or other resources between organizational units or funds.

Utility Discount Program: A discount program offered on the City's Water and Sewer utility bills (10% of bill) for eligible customers who are currently enrolled in the Pacific Gas and Electric Company (PG&E) Care Program.

CITY OF MORRO BAY Summary of FY 2018/19 Adopted Budget



PUT LIFE ON COAST

Mayor
John Headding

City Manager
Scott Collins

Mayor Pro-Tem
Red Davis

City Clerk:
Dana Swanson

Council Members
Dawn Addis
Jeff Heller
Marlys McPherson

Department Heads:
Jody Cox, Police
Steve Knuckles, Fire
Rob Livick, PW
Scot Graham, CDD
Eric Endersby, Harbor
Jen Callaway, Finance

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Morro Bay, CA
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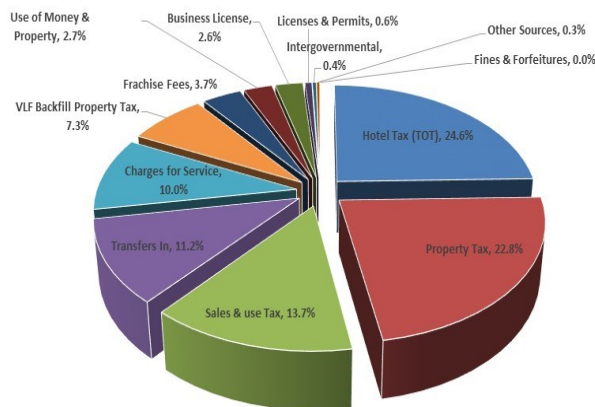
BUDGET SUMMARY

GENERAL FUND

Revenues: (By Category)

| | | |
|-----------------------------------|-----------|-------------------|
| Hotel Tax (TOT) | \$ | 3,524,835 |
| Property Tax | | 3,262,077 |
| Sales & use Tax | | 1,964,510 |
| Charges for Service | | 1,435,473 |
| VLF Backfill Property Tax | | 1,048,184 |
| Franchise Fees | | 531,799 |
| Use of Money & Property | | 389,600 |
| Business License | | 376,500 |
| Licenses & Permits | | 92,859 |
| Intergovernmental | | 50,380 |
| Other Sources | | 43,005 |
| Fines & Forfeitures | | 5,511 |
| Total Revenues | \$ | 12,724,733 |
| Transfers In | | 1,605,795 |
| Total Revs & Transfers | \$ | 14,330,528 |

FY 2018/19 Revenues by Category
\$14.3 Million



Hotel Tax (TOT): Tax that is levied on occupants of hotel and motel rooms in the city for

VLF back-fill property Tax: A state fee charged for the privilege of operating a vehicle on public streets. A VLF is levied annually against the market value of a motor vehicle and is imposed by the state "in lieu" of local property taxes

Licenses & Permits: Revenues earned by the issuance of licenses or permits levied in accordance with the benefits conferred by the license or permit.



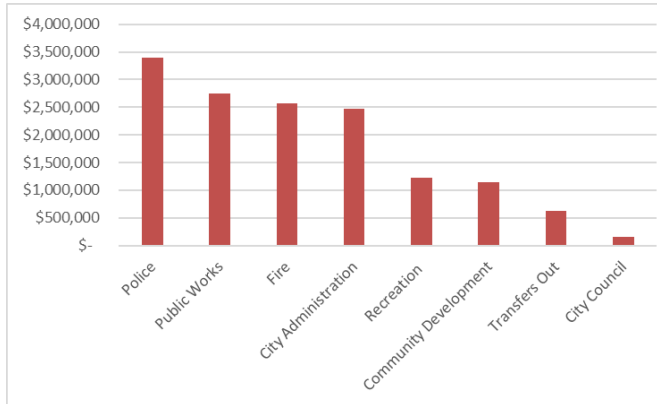
GENERAL FUND

Expenditures (By Department):

| | Total | % of Bud |
|-----------------------|----------------------|-----------------|
| Police | \$ 3,399,264 | 23.7% |
| Public Works | 2,751,209 | 19.2% |
| Fire | 2,569,479 | 17.9% |
| City Administration* | 2,472,243 | 17.3% |
| Recreation | 1,225,166 | 8.6% |
| Community Development | 1,136,633 | 7.9% |
| Transfers Out | 624,080 | 4.4% |
| City Council | 150,550 | 1.1% |
| Total | \$ 14,328,624 | 100% |

*City Manager, Legal Services, Finance, Human Resources, Clerk, Contract Services

FY 2018/19 Expenditures by Department



Expenditures (By Category):

| | Total | % of Bud |
|------------------------------|----------------------|-----------------|
| Salary & Benefits | \$ 10,228,403 | 71.5% |
| Services | 2,876,599 | 19.9% |
| Transfers Out | 624,080 | 4.4% |
| Supplies | 499,017 | 3.5% |
| Other Uses | 65,335 | 0.5% |
| Debt Service | 35,190 | 0.2% |
| Total | \$ 14,328,624 | 100% |

City Services are highly dependent on labor—the City's General Fund budget primarily supports personnel costs and the City's team that provides services to the community.

CITY-WIDE DATA

Personnel

| | |
|-----------------------------|------|
| Authorized Funded Positions | 99.5 |
| Elected Officials | 5.0 |

| Source of Funds: | Revenues | Transfers In | Total |
|------------------|----------------------|---------------------|---------------------|
| General Fund | \$ 12,727,733 | \$ 1,605,795 | \$14,330,528 |
| Capital Projects | 1,699,967 | 11,469,063 | 13,169,030 |
| Enterprise Funds | 15,466,555 | 6,954,744 | 22,401,299 |
| Internal Service | 1,962,915 | 382,515 | 2,345,430 |
| Other Revenue | 1,486,211 | | 1,486,211 |
| Special Revenue | <u>1,923,135</u> | <u>157,000</u> | <u>2,080,135</u> |
| Totals | \$ 35,243,516 | \$20,569,117 | \$55,812,633 |

Expenditures (By Fund)

| | |
|-------------------------------------|----------------------|
| General Fund & Transfers | \$ 14,328,624 |
| Capital Projects Funds | 13,194,030 |
| Enterprise Funds | 11,693,754 |
| Internal Service Funds | 2,083,631 |
| Other Funds | 1,730,851 |
| Special Revenue Funds | 1,536,632 |
| Other Transfers Out | <u>7,266,100</u> |
| Total Expend & Transfers | \$ 51,209,542 |

Cash Balance Reserves*

| | 2017/18 Est YE | 2018/19 Bud YE |
|--------------------------|---------------------------|---------------------------------|
| Sewer Funds ¹ | \$7,238,220 | \$1,268,928 |
| Water Funds | 4,092,434 | 5,373,916 |
| Other Funds | 3,733,595 | 2,918,528 |
| General Fund | 3,120,415 | 3,291,415 |
| Internal Service Funds | 1,416,537 | 1,507,336 |
| Harbor Funds | 989,288 | 682,037 |
| Utility Discount | 413,829 | 413,829 |
| Tourism | 283,022 | 304,675 |
| Measure Q | <u>118,299</u> | <u>118,299</u> |
| Total Cash | \$21,405,639 | \$15,878,963² |

*The "cash balances" presented are a blend of fund balance and cash balance. Future budgets will be revised to provide fund balance for all funds.

1—Sewer Fund balance decreases year over year due to planned work on the Water Reclamation Facility Capital Project.

2—Decrease in available cash is primarily due to the budgeted expenditures for the City's new Water Reclamation Facility. The City budgeted use of available cash to reduce overall debt service and interest costs.

For more budget specifics please view the City's adopted budget at <http://morrobayca.gov>